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SUBJECT: BURKINA FASO: 2008-09 INSCR PART II MONEY LAUNDERING AND  
FINANCIAL CRIMES

REF: STATE 103815

1. Per reftel request, below is Part Two of the International  
Narcotics Control Strategy Report concerning Money Laundering and  
Financial Crimes, submitted in narrative form. Embassy Ouagadougou  
will forward a copy of the most recently published submission via  
unclassified email to the addressees indicated in reftel.

2. The following is the proposed text for Burkina Faso for the 2009  
INCSR, Part II, Money Laundering and Financial Crimes:  
(Begin text)

Burkina Faso is not a regional financial center and there are no  
offshore banking institutions or free trade zones. Burkina Faso's  
economy is primarily cash-based; and most economic activity takes  
place in the informal sector. Only an estimated six percent of the  
population has bank accounts. The country is serviced by a  
traditional banking sector composed of 11 commercial banks and three  
specialized credit institutions called, "Etablissements Financiers."  
Banks include: the Banque Internationale pour le Commerce,  
l'Industrie et l'Agriculture du Burkina Faso (BICIA-B), the Banque  
Internationale du Burkina (BIB), the Societe Generale de Banques du  
Burkina (SGBB), the Banque Commerciale du Burkina (Arabo-Libyan),  
(BCB), the Banque Agricole et Commerciale du Burkina (BACB),  
Ecobank, Bank of Africa, and Banque Sahelo-Sahelienne pour  
l'Investissement et le Commerce (BSIC), and Coris Banque  
International, Banque Atlantique.

The Central Bank of West African States (BCEAO), based in Dakar,  
Senegal, is the Central Bank for countries in the West African  
Economic and Monetary Union (WAEMU): Benin, Burkina Faso,  
Guinea-Bissau, Cote d'Ivoire, Mali, Niger, Senegal, and Togo, all of  
which use the French-backed CFA franc currency. The BCEAO requires  
that all bank deposits over \$13,500 in member countries must be  
reported.

Although criminal activities take place within the region, there is  
no evidence to suggest that large-scale money laundering activities  
occur within Burkina Faso. Because the country's borders tend to be  
largely unregulated, illegal narcotics operations and black market  
currency exchanges could easily flow in an unregulated manner in and  
out of the country and from one country to another within the  
region. Since the 2004 reform of its mining code, gold mining in  
Burkina Faso has increased dramatically bringing with it an  
increased incidence of gold-related scams, many of which appear to  
involve Nigerian nationals. There have been unsubstantiated reports  
of some foreign-owned businesses engaging in money laundering and  
narcotics trading. President Blaise Compaore has publicly stated  
that the illegal narcotics trade is one of the most serious national  
security threats faced by Burkina Faso, although the problem is  
still small scale by regional standards. To combat drug  
trafficking, the Government of Burkina Faso (GOBF) has created the  
Inter-Ministerial National Committee against Drugs (NCAD), which is  
directed by the Ministry of Security and includes representatives  
from 24 of the 34 ministries. NCAD is a member of both the United  
Nations Drug Committee (UNDC) and the African Union Drug Committee.

Key challenges faced by Burkina Faso in the fight against money  
laundering, illegal narcotics and terrorism finance include:

ineffective regional cooperation, ineffective capital controls for cross border transactions, regional corruption, lack of resources, and weak and overburdened judicial and law enforcement systems. In 2000, the Economic Community of West African States (ECOWAS) established the Intergovernmental Group for Action against Money Laundering (GIABA), a Financial Action Task Force (FATF) style regional body based in Dakar, Senegal. GIABA is charged with promoting legislation against money laundering and coordinating the activities of West African Economic and Monetary Union (WAEMU) member countries. In January 2006, GIABA's mandate was revised to fully incorporate the imperative to fight terrorism financing. In March 2003, WAEMU adopted a uniform law to combat money laundering from a variety of sources. The law imposes due diligence obligations on financial institutions and directs them to report suspicious transactions to the Cellule Nationale de Traitement des Informations Financieres (CENTIF) of each WAEMU member state. In June 2003, WAEMU issued a directive which provided a legal basis for governments to implement the asset freeze provisions of UNSCR 1373. It also directed member governments to circulate the names of suspected terrorists and terrorist organizations on the UNSCR 1267 Sanctions Committee's Consolidated List to all financial institutions.

In late 1998, Burkina Faso adopted rule R #09, governing foreign financial relations. Under this rule, banks and other financial institutions are required to report all cash or bond payments of 5 million CFA (USD 10,000) or more and all operations in excess of 10 million CFA (USD 20,000). They must also verify the identity of both the originator and recipient of these funds as well as details of the operation involved in the transaction. Institutions must keep records for 10 years following closure of an account or finalization of a transaction.

In 1999 Burkina Faso adopted law #017-1999/AN which makes the sale or possession of all types and quantities of narcotics illegal. In late 2006, the GOBF adopted #026-2006/AN, an anti-money laundering law, which provides an effective mechanism to combat financial crimes. This Anti-Money Laundering/Counter-Terrorism Finance (AML/CTF) legislation states that "it is illegal to transform, conceal, or acquire any goods or funds that result from participation in a criminal action."

According to #026-2006/AN, AML/CTF controls are applicable to all individuals and entities involved in the deposit, exchange, conversion or movement of funds. The law specifically includes the following entities: the Treasury, BCEAO, all financial organizations, the national lottery, members of the judicial profession who counsel clients on the purchase or sale of goods, commercial enterprises, real estate agents, merchants selling high value items, fund transporters, casino owners, travel agents and non-governmental organizations (NGOs). Banks and financial institutions are also required to implement programs to centralize client records, train employees on the identification of suspicious transactions, and establish internal controls to prevent money laundering.

#026-2006/AN also gives the investigating magistrate authority to order the seizure of assets relating to money laundering and terrorist financing. Individuals convicted of attempted or actual money laundering activities face prison sentences of three to seven years, mandatory confiscation of their merchandise, and fines triple the amount of the goods or money that was laundered. AML/CTF legislation calls for the protection of all individuals who cooperate with law enforcement entities on money laundering or terrorism issues.

In June 2007, the GOBF established the Cellule Nationale de Traitement des Informations Financihres (CENTIF), which is responsible for detecting and investigating financial crimes, including money laundering and terrorist finance. CENTIF is an autonomous entity under the Ministry of Finance, funded by the GOBF, UEMOA and various NGOs. It has reciprocal agreements with financial institutions for the exchange of information and must report suspicious transactions to judicial authorities, the government, and to the BCEAO. CENTIF draws on the expertise of the Customs Bureau, the Department of the Treasury, the Ministry of Finance, the Department of Importation, the Director of Central Administration, magistrates, the police, and the BCEAO.

Burkina Faso has not enacted secrecy laws that prevent the

disclosure of client or ownership information. Financial institutions are obligated to confirm the identity and address of their clients before they enter into any type of financial transaction or open an account. Clients must present their original national identity card and provide a current home and work address. Burkina Faso has signed the following multi-lateral agreements: the United Nations Protocol against the Illicit Manufacturing and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime (entered into force March 2005); the United Nations Convention Against Transnational Organized Crime (entered into force September 2003); United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (entered into force November 1990). Burkina Faso is also a party to the UN International Convention for the Suppression of the Financing of Terrorism. (End text)

13. Embassy Ouagadougou's point of contact for inquiries is Economic Officer Pamela Hamblett (hamblettpa@state.gov). Backup POC is Economic Commercial Assistant, Francois Cabore (caborefh@state.gov).

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